of globally comparable optional tax regime and has made following recommendations:

(i) To introduce a tonnage tax regime with the shipping companies free to adopt the tonnage or the corporate tax regime;

(ii) Withholding tax on the interest paid on ECBs should be abolished;

(iii) Indian national serving on Indian flagged ships should be treated on par with those employed on foreign flagged ships.

(iv) To increase the rate of depreciation on ships from 25% to at least 40% in the line with other modes of domestic transport in commercial use.

(d) The Government had appointed the Rakesh Mohan Committee to review Indian shipping and recommend measures for its revival. The modalities for introduction of Tonnage Tax are being discussed with the Finance Ministry and a committee comprising of six members, two members each from Ministry of Shipping, Central Board of Direct Taxes and Indian National Shipowners' Association has been formed to finalize the modalities of the proposed fiscal regime and try to structure the required legislation regarding Tonnage Tax. The Committee is having its meetings at frequent intervals to give final shape to the draft legislation on Introduction of Tonnage Tax. In the Finance Act, 2000, the Government has restored the tax exemptions on profits of companies derived from the operation of ships for a period of 5 years and in the Finance Act, 2002, scope of Section 33AC was enlarged to twice the aggregate of the amount of the paid-up share capital, general reserves and the amount credited to share permium account.

Ban on single hull ships of SCI

1612. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of SHIPPING be pleased to state:

(a) whether it is a fact that SCI's single hull Ships are banned from entering into the EUs waters;

(b) whether it is also a fact that more than 30 per cent ships of the SCI are single hull ships, thereby are not able to go EU due to ban;

(c) if so, the details thereof; and

(d) whether the changes in the regulations in other parts of the World would not erode the valuation of SCI's share in the market?

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI DILIP KUMAR MANSUKHLAL GANDHI): (a) No, Sir. Only some European countries have banned entry of single hull ships over 20 years of age from carrying heavy crude and fuel oil in their ports. The ban is not expected to affect the Shipping Corporation of India tanker fleet as its single hull tankers do no call at European Union ports.

(b) and (c) The restriction on single hull ships is for tankers only. Shipping Corporation of India has only 23 nos. of single hull crude oil tankers and only 9 nos. of sigle hull product tankers.

(d) No, Sir. The Shipping Corporation of India has been proactive in its tonnage replacement plans and all new tankers acquired after 1994 are double hull tankers. The future acquisition would be double hull tankers in its fleet which would also comply with the IMO guidelines to maintain its competitive position in the shipping industry.

National Scheme of Liberation and Rehabilitation of Scavengers

1613. SHRI K. RAHMAN KHAN: Will the Minister of SOCIAL JUSTICE AND EMPOWERMENT be pleased to state:

(a) whether the objectives of the National Scheme of Liberation and Rehabilitation of Scavengers setout for providing alternative, dignified and viable occupation to scavengers and their dependents have been achieved;

(b) if not, the reasons therefor;

(c) the amount spent on the scheme so far; and

(d) the steps taken for its effective implementation?